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OS REGISTRY
FILE *See 18*

5 August 1980

MEMORANDUM FOR: SA to the DCI for Compartmentation

FROM :
Deputy Chief, APEX Control Staff

SUBJECT : APEX Steering Group Meeting, 5 August 1980

1. The 29th meeting of the APEX Steering Group was convened at 10:02 A. M. on 5 August 1980 with the following in attendance:

25X1	ACS	 Chairman
	OSD	Maynard Anderson
	State	William P. Deary
	State	Donald Stigers
	DIA	
	DIA	
	DIA	
	Navy	Richard Welch
	Navy	G. L. Berkin
	Air Force	Roger Smith
	Army	Merrill T. Kelly
25X1	NSA	
	NSA	
25X1	SAFSS	
25X1	SIGINT	
	COMIREX	
	SECOM	
	CIA	
	CIA	
	ACS	
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2. The first order of business was the world premiere of the APEX III videotape intended for the briefing of contractor personnel not requiring in-depth knowledge of the APEX control system. Following

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25X1 the film, [] reminded the group that at the last meeting
the discussion of the draft memorandum proscribing the inclusion of
operational information in finished intelligence had elicited the
25X1 recommendation from Mr. Welch that the proscription be given a trial
period. [] advised that he has determined that NFAC has
been operating under the proscription since January 1980 in producing
the National Intelligence Daily. The NID staff has run this experiment
for more than six months without experiencing great difficulty. There
have been some exceptions because the NID staff has no authority to
enforce rules which have not yet been promulgated, but no serious
problems are anticipated once the letter is published. A fifth draft
of the HUMINT Manual will be published soon. Comments by DIA and
Navy have been accommodated easily and extensive proposals for change
by Air Force and the Security Committee are being worked. The members
were given a draft of a revised 4th paragraph of the Nondisclosure
Agreement which takes into consideration State Department objections
and attempts to define more closely that which requires review.

25X1 [] reported that all training material, including manuals,
audiovisual items, and cover sheets, are now in production. He pointed
out that the legal package has a small mistake in that Title 50,
U. S. Code was inadvertently omitted as a heading. A new page to re-
25X1 place the one with the mistake will be disseminated through Working
Group No. 1 representatives. [] also advised the members
to report their desires for APEX III (as videotape, slide or film)
to their respective members of Working Group No. 2. []

25X1 3. [] told the members greater progress is needed
on the definition of Operational Subcompartments. [] responded
that NSA expects to have a proposal to table in about a week. The
Chairman then exhorted the members to be very diligent in getting
proposals from the various Steering Group members to the proper people
in their respective organizations for full responses. He pointed out
that the program manager organizations need feedback from the rest of
the Community in order to proceed with constructing Operational Compart-
ments and Subcompartments. He suggested that progress will be expedited
if the submitters of proposals are given specific comments, questions,
and suggestions for change by the other members. He pointed out that
25X1 [] presented a matrix to the Steering Group several
weeks ago and that there has been no response except from DIA. We
should not complain of lack of progress unless we are forthcoming with
our critiques of these submissions. [] commented that he
25X1 understood [] was to do the system manuals and then do
the generic manuals before the SIGINT Committee responded. Mr. Deary
commented he would like to see the Subcompartment manual, also, because
25X1 he finds the matrix confusing. []

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4. Discussion followed in which [] raised the question of whether the SIGINT Committee or the APEX Steering Group should be responsible for the Subcompartment manuals dealing with SIGINT topics. Colonel Picinich commented that the system of having the other DCI Committees work on these matters, and then have the Steering Group work on them afterward, is time-consuming, but he feels more comfortable doing it this way and prefers to continue doing it this way. Mr. Anderson agreed with Colonel Picinich, saying that the staffing of each subject in each agency is more effective by following this method. [] stated that his sole desire is to ensure that staffing of APEX problems is done correctly and that he has no intention of usurping the functions of other DCI Committees. [] commented that the SIGINT Committee will not double staff specific questions. In response to [] question, the Steering Group decided that [] should be asked to develop both system specific and functional manuals for his Operational Subcompartments. []

5. [] announced that he anticipates that following the next meeting of the Steering Group, or the one after, there will be an additional session for those members holding the appropriate access approvals to review the Navy proposals for Operational Compartments and Subcompartments. []

6. [] then asked for comments on the paper on APEX Control Facilities which was disseminated at the last meeting. Mr. Anderson responded by saying that he accepts the definition, but objects to the term "certify" because we have traditionally used the term "accreditation." He expressed the belief that APEX Control Facilities, once accredited by the cognizant SIO as meeting physical security standards, would be accredited for any and all types of APEX material. He expressed his belief that control over what goes into APEX Control Facilities exists in terms of access by individuals and, if individuals in a specific agency hold particular access approvals, then that agency's ACF can receive, store, and handle the specific kinds of material for which those people are approved. He further said that an APEX Control Facility can be as large or as small as it need be. Mr. Anderson said the material on pages 8 through 11 of the ACF paper meets his approval. He also stated that, assuming that proper security and suppression capabilities are built into 4-C, we should attempt to achieve the level IV capability described in the matrix attached to the ACF paper. [] said that the Facilities Register will not eliminate anything that is being done now and indicated he is opposed to it. Mr. Deary said he fully supports

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Mr. Anderson's point of view on the role of the program manager in the accreditation and certification of ACFs. He said as far as he is concerned all that is needed is the address of the registry to which APEX material of all kinds is to be sent. [] commented that his office would need to know more about the suppression capability in 4-C. [] pointed out that the DDO is sufficiently satisfied with that suppression capability to have indicated that they want their people listed in the 4-C computer rather than the main frame CIA computer. Mr. Welch commented that the Navy would not oppose a central ACF in DIA, for example, once Admiral Shapiro and General Tighe have agreed upon that facility.

[] posed the question that under a concept where a single APEX Control Facility covers an entire agency, how will the inventories proscribed by the APEX manual be accomplished? Major [] responded an audit would be done in each ACF. [] stated that this means that the agency does not have a single ACF, but has several. Mr. Kelly commented that a single ACF can handle anything if it meets the standards. [] agreed with Mr. Anderson, saying he believed that there should be no additional processing for ACFs beyond the accreditation by the SIO. [] pointed out that under the update of the 1973 Physical Security Standards, the SIO is responsible for accrediting and maintaining control facilities, and how he does it should be left to him.

[] asked the members to provide their opinions regarding ACFs, in writing, so that an attempt can be made to structure a document which reflects the consensus of the Steering Group on this matter. []

7. Reporting for Working Group No. 2, [] related that Jim Croker of Navy recently performed an experimental briefing for three selected contractor security officers. The contractor security officers were briefed "cold" without any advance knowledge of APEX and, after 4-1/2 hours of briefing, still had questions about the program. [] reported that the Nondisclosure Agreement had caused considerable consternation and apprehension among the briefees. [] recommended that a one-day conference be held in the D. C. area for about 125 contractor security officers in order to educate them to a point where they can indoctrinate others. [] agreed to begin tentative plans to conduct such a conference in October. [] pointed out that NSA is preparing to send a briefing team to the West Coast to conduct contractor APEX indoctrinations and that the Navy is briefing contractors as they come in on other business. Mr. Welch asked whether there would be any additional

travel funds available for indoctrinations, and [] responded that the amount of 4-C money available is unknown at this time, due to changes in the 4-C program. [] also handed out a proposed letter to be sent from the DCI to company security officers. This had been suggested by contractor representatives at the 14 July meeting. Mr. Anderson questioned whether this is a good idea or not, and [] commented that the letter would certainly hit the press. He asked the Chairman whether arrangements had been made with the DCI's Public Affairs Office to respond to press inquiries about APEX. [] replied that he has asked Mr. Hetu to refer press inquiries to the unclassified Executive Order 12065 and to limit his response to that. [] asked whether the Pentagon press officers had been alerted, and Mr. Anderson responded in the negative, saying that the press seems to be uniquely disinterested in such matters as APEX. [] commented that the proposal to have a meeting of Government contracting officers was well-received in Working Group No. 2 and that nominees will be obtained through the Working Group No. 2 membership. []

8. [] announced that the SIGINT Committee hopes to complete work this week on a letter to the DCI regarding policy approaches requiring DCI approval before the SIGINT manual can be written. He also noted that he is anticipating receipt of Colonel [] draft manuals. [] asked whether any member had any comment or information that would be pertinent to the trip that he and [] this week. There was no response. A memorandum from [] the status of Imagery Decompartmentation and copies of [] letter to the [] on bilateral talks on APEX were handed out to the members, and the meeting adjourned at 12:03. []

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SUBJECT: Minutes of APEX Steering Group Meeting, 5 August 1980

SA/DCI [redacted] /tb (5 Aug 1980)

Distribution:

Original - SA/DCI/C File

1 - SA/DCI/C Chrono

1 - William Deary, INR/State

1 - Richard Welch, Navy

1 - Maynard Anderson, OSD

1 - [redacted]

1 - Merrill I. Kelly, Army

1 - Colonel Robert A. Shiver, Air Force

1 - [redacted] NSA

1 - David G. Major, FBI

1 - [redacted]

1 - [redacted] Chairman, SIGINT Committee

1 - [redacted] Chairman, COMIREX

1 - [redacted] , Chairman, DCI Security Committee

1 - [redacted] D/CA

1 - [redacted] A

1 - [redacted] MS Observer

1 - Executive Registry

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